

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

*In the Matter of:*

Agate Post Office  
Agate, Colorado 80101

Docket No. A2012-10

**UNITED STATES POSTAL SERVICE**  
**COMMENTS REGARDING APPEAL**  
(December 6, 2011)

On October 12, 2011, the Postal Regulatory Commission (Commission) docketed a petition for review of the Postal Service's determination to close the Agate Post Office in Agate, CO. This petition was filed by Gail Pitzer, General Manager, Agate Mutual Telephone (Petitioner). On October 13, the Commission issued a Notice of Filing under 39 U.S.C. § 404(d). On October 14, 2011, the Commission issued Order No. 908, its Notice and Order Accepting Appeal and Establishing Procedural Schedule, pursuant to 39 U.S.C. § 404(d). On October 24, petitions from Mindy Kouri and Dennis Kouri (Petitioners) were received. In accordance with Order No.908, the administrative record was filed with the Commission on October 27, 2011.

The correspondence received by the Commission raises four main issues: (1) the effect on postal services, (2) the impact upon the Agate community, (3) economic savings, and (4) the impact on employees. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Accordingly, the determination to discontinue the Agate Post Office should be affirmed.

## **Background**

The Final Determination To Close the Agate, CO Post Office and Establish Service by rural route service under the administrative responsibility of the Deer Trail Post Office, as well as the administrative record, indicate that the Agate Post Office provides EAS-11 level service from 8 A.M. to 12 P.M. and 1 P.M. to 5 P.M. Monday - Friday, from 8 A.M. to 11 A.M. on Saturday with lobby hours of 24 hours Monday through Saturday to 54 post office box customers or general delivery customers and 126 delivery customers. Item 1<sup>1</sup>, Request to Study at 1; Item 47, Final Determination (FD) at 2. The postmaster was reassigned on February 19, 2010 and an OIC installed to operate the Post Office. Item 47, FD at 2.

The retail window averaged 13 transactions accounting for 15 minutes of retail workload per day. Item 47, FD at 2. Revenue was \$14,358 in FY 2008 (37 revenue units); \$16,412 in FY 2009 (43 revenue units); and \$13,298 in FY 2010 (35 revenue units). Item 47, FD at 2. There are three meter or permit customers. Item 47, FD at 2.

The Postal Service followed the proper procedures which led to the posting of the Final Determination. All issues raised by the customers of the Agate Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. A letter was sent out on March 27, 2011 seeking opinions on a change to rural service from the Deer Trail Post Office. Item 21, Letter to Customers at 1. The returned customer questionnaires

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<sup>1</sup> In these comments, specific items in the administrative record are referred to as "Item \_\_\_\_."

and Postal Service response letters appear in the administrative record in Item 22. In addition, representatives from the Postal Service were available at the Agate School for a community meeting on May 26, 2011, to answer questions and provide information to customers. Item 47, FD at 2; Item 21, Letter at 1; Item 24, Community Meeting Roster. Customers received formal notice of the Proposal and FD through postings at nearby facilities.

The Proposal was posted with an invitation for public comment at the Agate Post Office lobby and affected postal facilities, from May 26, 2011 to July 27, 2011. Item 47, FD at 2; Item 31, Instructions to OIC/Postmaster to Post Proposal; Item 33, Proposal to Close; Item 36, Date stamp Proposal. The Final Determination was posted starting on September 15, 2011 and is still posted. Item 47, FD; Item 49, Round date stamped FD.

In light of the postmaster vacancy due to reassignment, low revenue,<sup>2</sup> the variety of delivery and retail options (including nearby retail service), minimal impact upon the community,<sup>3</sup> and the expected financial savings,<sup>4</sup> the Postal Service issued the Final Determination.<sup>5</sup> Regular and effective postal services will continue to be provided to the Agate community in a cost-effective manner upon implementation of the Final Determination. Item 47, FD at Part VI.

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

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<sup>2</sup> Item 47, FD at 2.

<sup>3</sup> Item 47, FD, at Part II.

<sup>4</sup> Item 47, FD, at Part IV.

<sup>5</sup> Item 47, FD.

### **Effect on Postal Services**

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii), and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Agate Post Office on postal services provided to Agate customers. The closing is premised upon providing regular and effective postal services to Agate customers.

The Petitioners, in their letters of appeal, raise the issue of the effect on postal services of the Agate Post Office. They note the central location and express concern about traveling to other post offices. They also express concern for service provided to senior citizens. These concerns were considered by the Postal Service.

The effect of closing the Agate Post Office on the availability of postal services to the Agate customers was considered extensively by the Postal Service. Item 47, FD at 2; Item 33, Proposal at 2. Upon the implementation of the Final Determination, services provided by the Agate Post Office, such as the sale of stamps, envelopes, postal cards, and money orders, will be available at the Deer Trail Post Office located 13 miles away. Item 47, FD at 2; Item 33, Proposal at 2. Rural route service will be provided to cluster box units (CBU) for the P.O. Box holders. Item 47, FD at 2. In hardship cases, delivery can be made to the home of a customer. Item 47, FD Part I, Concern and Response to Proposal 9.

The record explains that carrier service is beneficial to many senior citizens and to those who may face special challenges because they do not have to travel to the Post Office for service. Item 47, FD at Part I, Concern and Response to Proposal 16, 24. Most transactions do not require meeting the carrier at the mailbox. Item 47, FD,

Part VI. Customers may also purchase stamps by mail, arrange for package mailing with the carrier, and postal money orders through transactions conducted by the carrier. Item 47, FD Part I, Concern at 23. Packages that fit will be delivered to the rural box, for those packages that do not fit, the carrier will travel up to one-half mile from the mailbox to deliver the packages to a convenient place (such as a porch or carport) that the customer designates. Item 47, FD, Part I, Concern 9.

The Postal Service also considered the impact on business customers, such as Agate Mutual Telephone. Service is provided through the rural carrier and for permit mailers, they are a known customer and can drop off Priority and Express Mail in the drop box for pick up. Further the low revenue and transaction survey shows the volume sent by business is not substantial. Item 10, Window Transaction Record, Item 47, FD at 2.

Petitioners also state they have no internet access. The Postal Service explained that services are also available for those customers who do not have computers. Stamps by Mail and Money Order Application forms are also available for customer convenience, and stamps are also available at many stores and gas stations, or by calling 1-800-STAMP-24. Item 47, FD Concern 23, Item 21, Letter to Customers; Item No. 25, Community Meeting Analysis at 2; Item 41, Proposal at 5. Customers can also request special services, such as certified, registered, or Express mail, delivery confirmation, signature confirmation, and COD from the carrier. Item 47, FD Concern 23.

Thus, the Postal Service has considered impact of closing the Agate Post Office upon the provision of postal services to the Agate customers, and has properly concluded that the Agate customers will continue to receive regular and effective service. Existing customers that receive rural service will continue to receive the same service. Item 21, Letter questionnaire at 3. Rural route service for P.O. Box customers that elect to receive delivery by rural carrier will be provided to CBUs. Item 47, FD at 2. The carrier will be able to provide retail services, including the sale of stamps that the customer can arrange by leaving money or a note in the mailbox. Packages will be delivered to mailboxes, and those that are too large for the mailbox may be delivered to a convenient, customer-selected point up to one-half mile from the line of travel. Accordingly, the Postal Service has properly considered the impact of closing the Agate Post Office, and has properly concluded that the Agate customers will continue to receive regular and effective mail service.

### **Effect Upon the Agate Community**

The Postal Service is obligated to consider the effect of its decision to close the Agate Post Office upon the Agate community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to discontinue a Post Office.

Agate is an unincorporated community located in Elbert, Colorado. The Elbert County Sheriff's Department provides police protection, and the Agate Fire Department provides fire protection. Item 47, FD at Part II. The community is comprised of farmers, retirees and commuters. Item 47, FD, Part II. Business and organizations include multiple home businesses and farming. Item 47, FD, Part II. The questionnaires completed by the Agate customers indicate that, in general, the senior citizens and others who reside in Agate may travel for other supplies and services. Item 47, FD, Part II; Item 22, Customer Questionnaires.

The Petitioners raise the effect of the closing of the Agate Post Office upon the Agate community. This issue was considered by the Postal Service, as reflected in the administrative record. Item 47, FD, Part II Concern and Responses 1-7; Item 22, Customer Questionnaires. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. Item 47, FD, Part II, Concern 3. The Postal Service further explained that the Postal Service is helping to preserve community identity by continuing the use of the Agate name. Item 47, FD, Part II, Concern 3; Item 22, Customer Questionnaires at 35. Nonpostal services, such as a community bulletin board, will be available at the Deer Trail Post Office. Item 47, FD, Part II, Concern 1. Communities generally require regular and effective postal services and these will continue to be provided to the Agate community. Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Agate Post Office on the Agate community.

## **Economic Savings**

The Postal Service also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The estimated annual savings associated with discontinuing the Agate Post Office are \$50,479. Item 47, FD at Part IV.

The Petitioners suggest strategies that might increase revenue at the Agate Post Office. These strategies include selling office supplies, reducing hours and rearranging management of other post offices. The Postal Service has broad experience with similar options, but the focus of this administrative action concerns whether service can be provided effectively and efficiently to the Agate community. Item 47, FD, Part I at Concern 13. In this case, the Postal Service has determined that rural service to the existing customers and rural service to CBUs, coupled with service at the Deer Trail Post Office, is a more cost-effective solution than maintaining the Agate postal facility and career position. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. Thus, economic factors are one of several factors that the Postal Service considered, and the economic savings have been calculated as required for discontinuance studies in accordance with statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Petitioners also state that the law protects small communities. Petitioners presumably refer to the requirements of Title 39 that prohibit the closing of small post offices solely for operating at a deficit. . Here, however, a variety of factors inform the decision to discontinue the Agate Post Office, including a postmaster vacancy,



minimal workload, low office revenue, and the variety of delivery and retail options (including the convenience of rural delivery and retail service), minimal impact upon the community, and the expected financial savings.

Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a Post Office must consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.” In this case, the Postal Service analyzed, among other factors, the Agates Post Office’s workload and revenue. The consideration of an office’s workload and revenue is not inconsistent with the policies of Title 39, however, because analysis of workload and revenue does not imply that a small Post Office is operating at a deficit. The Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

### **Effect on Employees**

As documented in the record, the impact on postal employees is minimal. The postmaster position became vacant when the postmaster was reassigned on February 19, 2011. Item 47, FD Part III. The non-career postmaster relief may be separated from the Postal Service. No other postal employee will be adversely affected.

Petitioners praise service provided by Agate Post Office employees. The Postal Service appreciates these observations, and is sympathetic to the Petitioners' concern for the welfare of the employees, but is also charged with responsibility to promote efficiency of operations. Consequently, this concern does not outweigh the other considerations cited in support of the Final Determination.

Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Agate Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

### **Conclusion**

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Agate Post Office on the provision of postal services and on the Agate community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Agate customers. Item 47, FD. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A).

The Postal Service respectfully requests that the determination to close the Agate Post Office be affirmed.

Respectfully submitted,

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